

VZCZCXYZ0006
RR RUEHWEB

DE RUEHNE #3656 2221217
ZNR UUUUU ZZH
R 101217Z AUG 07
FM AMEMBASSY NEW DELHI
TO RUCPDOG/USDOC WASHDC
RUEAHLG/HQ ICE IAO WASHINGTON DC
INFO RUEHC/SECSTATE WASHDC 7468

UNCLAS NEW DELHI 003656

SIPDIS

SIPDIS

USDOC FOR 532/OEA/M. NICKSON-D/KGAINES/JAY HATFIELD
USDOC FOR 3131/USFCS/OIO/ANESA/KREISSL
USDOC FOR 4530/MAC/ANESA/OSA
ICE HQ FOR STRATEGIC INVESTIGATIONS
STATE FOR EB/ESP

E.O. 12958: N/A

TAGS: [ETTC](#) [ETRD](#) [BEXP](#) [IN](#)

SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION: SHOGHI
COMMUNICATION LTD., NEW DELHI

REF: USDOC 05829

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.

¶2. Export Control Officer (ECO) Paul Cushman and BIS FSN Prem Narayan conducted a Post-shipment Verification (PSV) at Shoghi Communication Ltd. (SCL), New Delhi, on July 26, 2007.

¶3. BIS requested a PSV at SCL, a private sector company. SCL is located at: 707, Ansal Bhavan, 16 Kasturba Gandhi Marg, New Delhi 110001, Tel: 91-11-2335-1302, Fax: 91-11-2335-1303, email: shoghi@nde.vsnl.net.in. Website: www.shoghi.co.in. SCL was listed as the Ultimate Consignee for 10 DC-DC converter modules. The exporter was Interpoint Corp. (Interpoint), Redmond, WA. Export License Number: No License Required (NLR), EAR99.

¶4. ECO and FSN Narayan met with Anant Bindal (Bindal), Director of Marketing, SCL.

¶5. Bindal stated that they regularly deal with U.S. State Department export licenses and that he was aware of certain BIS regulations. Bindal stated this was the first visit to SCL by any USG officials. He stated that SCL purchased converters for Instruments Research & Development Establishment (IRDE), a Defence Research & Development Organization (DRDO) laboratory within the Ministry of Defence. He was very cooperative and forthcoming, providing copies of the SCL Purchase Order to Interpoint, Interpoint Invoice to SCL, Interpoint Packing List, IRDE Supply Order to SCL, IRDE Customs Duty Exemption Certificate authorizing SCL to import the converters duty-free, and IRDE End-User Certificate.

¶6. Bindal displayed all 10 converters on the conference table for ECO and Narayan to inspect. Bindal stated SCL imported the converters for IRDE. IRDE required these converters for carrying out research work in the field of electro-optical instrumentation. IRDE, one of 51 laboratories operating under DRDO, is involved in the design and development of optical instruments and related research activities for defense application. IRDE cancelled the order due to SCL's inability to deliver the converters by the scheduled delivery date.

¶7. ECO asked if SCL planned to find another buyer or return the converters to Interpoint. Bindal explained that these were custom-made converters per IRDE specifications. So, it is highly unlikely they could find an interested customer. Furthermore, because they were custom-made, Interpoint refused to take them back. ECO and Narayan verified the serial numbers of all ten converters.

¶8. Bindal explained that SCL supplies encryption products and technology to GOI agencies, primarily military and paramilitary forces. These products are often customized with the integration of imported components. Bindal stated that since they supply products to defense agencies, SCL is monitored and regularly audited by the Indian Department of Defence Research and Development (DDRD) and the Director General of Foreign Trade (DGFT) clear all of SCL's export orders. Bindal asserted that SCL exercises proper due diligence and complies with all required procedures in order to ensure compliance with Indian export control laws. He stated that SCL is not allowed to export to countries such as North Korea, Cuba, Sudan, and Iran.

¶9. Established in 1996, SCL is an engineering and systems integration company. SCL delivers solutions in the fields of strategic electronics, encryption technologies (including code-breaking technology), analysis and surveillance. SCL's product range includes communication security, communication jamming, communication intelligence, signals intelligence, systems engineering, research & development, and software development. Of their total production, 70 percent is supplied to GOI agencies. The remaining 30 percent is exported to foreign governments with DDRD and DGFT oversight. Foreign customers include Malaysia, Philippines, Indonesia, South Africa, and a few European and Latin American countries. SCL regularly imports products from the United States and a few European countries. SCL employs 280 personnel, all of whom benefit from a profit-sharing plan. SCL is privately owned and its original founders remain in control of the company. In FY 2006, SCL's sales turnover exceeded 50 million USD.

¶10. Recommendation: Post recommends Shoghi Communications Ltd. as a reliable recipient of the U.S. origin commodities for this transaction.

WHITE